

Overview of Trade Adjustment Assistance for Farmers

Louisiana Crab Task Force
September 27, 2012



Rex H. Caffey

Professor, Marine Resource Economics
Louisiana Sea Grant and LSU AgCenter



Purpose of the Program

TAA for Farmers provides free technical assistance and cash benefits to producers of agricultural commodities and to fishermen who have been adversely affected by import competition.

Why apply?

If the prices or production for a commodity have declined, a commodity organization can bring new resources to producers by applying for TAA.

If a commodity is approved for TAA, producers will be able to attend intensive workshops designed specifically to help them improve profits, get access to a personal business planning consultant and obtain cash payments.

These benefits will help producers compete with foreign competition and generate higher profits.

Benefits to Producers and Fishermen

TAA provides training to help producers increase profitability, improve production efficiency, consider marketing opportunities, and evaluate alternative enterprises.

TAA will also help participants develop a business plan, evaluate changes to their business, and provide funding to implement changes.

TAA Technical Assistance Components

Initial overview - provides an introduction to TAA and opportunities to improve production and marketing or evaluate alternative enterprises

Intensive technical assistance - choose from a series of workshops on topics relevant to the commodity that will help improve profitability

Initial business plan - write a short description of how you plan to change your business based on what was learned from the workshops to become eligible to receive a maximum \$4,000 cash payment

Long-term business adjustment plan - get help developing a business plan outlining how you will implement changes to your business. Completion makes you eligible for a maximum \$8,000 cash payment

How it Works

After a commodity is certified eligible for TAA, producers or fishermen have 90 days to sign up at a USDA Farm Service Agency (FSA) office.

The initial overview will be delivered by Extension Service educators within 180 days after a commodity is certified.

Intensive technical assistance and assistance developing a business plan will also be provided by Extension, but producers and fishermen will have three years to complete these phases of the program.

Who is Eligible?

An agricultural or fisheries commodity can petition USDA to become eligible for TAA. A commodity is eligible if it has experienced more than a 15% decline in the national average price, or the quantity of production, or the value of production, or in cash receipts in the most recent marketing year compared to the previous three marketing years; and if imports contributed importantly to this decline

Landings, Value, and Prices

Louisiana Crab Landings, Value, and Unit Prices 2008-2009

Year	Species	Pounds	Value	Price	% Change in Volume	% Change in Value	% Change in Price
2008	CRAB, BLUE	41,616,689	31,927,903	0.77			
2009	CRAB, BLUE	52,847,956	36,757,492	0.70	27%	15%	-9%
2010	CRAB, BLUE	30,620,978	29,938,807	0.98	-42%	-19%	41%
2011	CRAB, BLUE	43,697,920	36,193,183	0.83	43%	21%	-15%

U.S. Crab Landings, Value, and Unit Prices 2008-2009

Year	Species	Pounds	Value	Price	% Change in Volume	% Change in Value	% Change in Price
2008	CRAB, BLUE	159,974,267	154,591,225	0.97			
2009	CRAB, BLUE	174,106,901	156,862,372	0.90	9%	1%	-7%
2010	CRAB, BLUE	196,926,370	199,237,807	1.01	13%	27%	12%
2011	CRAB, BLUE	196,875,567	175,200,813	0.89	0%	-12%	-12%

How to Apply

A commodity organization or any group of three unrelated producers can submit a petition to USDA. A petition may be submitted on behalf of a state, a group of states, or as a national petition. Petitions are submitted to the USDA Foreign Agricultural Service. To obtain the petition form and guidelines visit:

www.fas.usda.gov/itp/taa/

Once a commodity is approved, individual producers and fishermen can apply at their local Farm Service Agency (FSA) office.

Status

Since 2009, USDA has certified 10 of the 30 petitions filed by producers of five commodity groups—shrimp, catfish, asparagus, lobster, and wild blueberries.

In FY2010, USDA approved about 4,500 agricultural producers who applied for training and cash assistance under three certifications.

Under the seven FY2011 certified petitions, USDA approved about 5,700 producers. Program benefits in both years will mostly flow to shrimp producers.

Status

USDA continues, in stages, to disburse financial assistance to producers approved to receive benefits under the FY2010 and FY2011 programs as they meet certain benchmarks.

Any future program activity depends on whether Congress appropriates funds to support the authority enacted in P.L. 112-40.

In its FY2013 budget request submitted February 13, 2012, the Obama Administration did not request any appropriations for the TAAF program.